

Capital Projects

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Mission/ Policy

Mission

To provide comprehensive planning and analysis of the long-range capital needs of Waukesha County. This process contributes to the fiscal review and prioritization of such capital projects as facility development (new construction and improvements), infrastructure maintenance, technology, major equipment and systems installations.

Policy

A capital project is defined as an active or proposed non-recurrent expenditure in one or more specified plan year of an amount usually in excess of \$100,000 for a permanent fixed asset (building, land, improvement, or equipment installation) which has a useful life or extends the useful life of an existing fixed asset, usually in excess of seven years.

This budget maintains the emphasis on planning and funding for infrastructure and capital improvements projects, as they are needed rather than reacting to crisis situations. New projects should be requested in the last year of the five-year plan, unless circumstances require a more immediate time frame. County Code 2-410 (c) requires design and implementation for larger projects to be, at a minimum, in separate calendar years. This project methodology further identifies documentation and justification requirements to support the project from the first year included in the plan to project completion. Justification includes costs vs. benefits and project need.

A long range goal to managing overall debt service is to maintain annual tax levy effort to fund capital projects at a minimum of 20 percent of net capital expenditures. This "down payment", reduces the need to borrow additional funds and manages debt service growth in relationship to the operating budget.

In this section under "2006 Capital Projects and Operational Impact", is a summary of operational impacts resulting from implementation of the capital improvement program. Also, in this section are individual capital project sheets, which detail operational impacts. Impacts associated with new facility operations are included in planning for future funding needs for County operations, but are only included in operating department budgets in the year they will be incurred.

Financial Summary

| | 2004 Budget | 2005 Budget | 2006 Budget | Change from 2005 \$ | % |
|--|---------------------|---------------------|---------------------|---------------------------|---------------|
| Expenditures | \$28,344,370 | \$29,727,500 | \$20,684,700 | (\$9,042,800) | -30.4% |
| Revenues | \$2,630,468 | \$4,035,000 | \$1,206,600 | (\$2,828,400) | -70.1% |
| Fund Balance (a) | <u>\$6,260,570</u> | <u>\$5,855,000</u> | <u>\$2,870,000</u> | <u>(\$2,985,000)</u> | <u>-51.0%</u> |
| Net Expenditures | \$19,453,332 | \$19,837,500 | \$16,608,100 | (\$3,229,400) | -16.3% |
| Other Financing Sources: | | | | | |
| Investment Earnings | \$700,000 | \$600,000 | \$525,000 | (\$75,000) | -12.5% |
| Debt Issue Proceeds | <u>\$14,000,000</u> | <u>\$14,400,000</u> | <u>\$12,000,000</u> | <u>(\$2,400,000)</u> | <u>-16.7%</u> |
| Tax Levy | \$4,753,332 | \$4,837,500 | \$4,083,100 | (\$754,400) | -15.6% |
| Levy as % Of Net Capital Expenditures | 24.4% | 24.4% | 24.6% | | |

(a) Fund balance appropriations in 2006 include general fund balance of \$250,000 and capital project fund balance of \$60,000. Proprietary fund balance totals \$2,810,000 and includes \$810,000 from internal service operations and \$2,000,000 from enterprise operations. The \$2,000,000 is a loan from the Materials Recycling Fund to be repaid in the future.